

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: The bill increases the duties of county property appraisers by requiring them to forward a copy of the reports they receive from the Department of Revenue to the county commission.

B. EFFECT OF PROPOSED CHANGES:

Current Situation in Assessment Rolls:

Property appraisers¹ are required to assess all property in their county and prepare assessment rolls for all real property and tangible personal property.² An assessment roll is a record of all taxable property within the tax district which is completed, verified, and reported to the Department of Revenue (DOR) by the property appraiser. DOR has supervisory authority over property appraisers under chapter 195, F.S. DOR prescribes forms, rules and regulations for assessing and collecting taxes, establishment of standards of value, manual of instructions, classification of property, budgetary processes, and review of assessment rolls.

Each assessment roll is submitted to DOR for review. The purpose of the review is to determine that the rolls meet the appropriate requirements of law relating to form and just value.³ DOR is required to conduct an in-depth review of the assessment rolls for each county no less than once every two years. At a minimum, DOR is to review the level of assessment for the county in relation to just value of each of the various classifications of property found in s. 195.0969(3)(a), F.S. The in-depth review may include review of the proceedings of the value adjustment board and the audit or review of procedures used by the counties to appraise property.

Within 120 days after receiving a county's assessment roll, or within 10 days after approving it, whichever is later, DOR is to finalize its review and forward its findings to the Senate Finance, Taxation, and Claims Committee, the House Finance and Taxation Committee, and the appropriate property appraiser. DOR is to include in its findings a statement of the confidence interval for the median, other measures studied, and the roll as a whole⁴, and related statistical and analytical information.⁵ DOR's report becomes a public record, subject to chapter 119, F.S., once it is released to the property appraiser.⁶

Effect of Bill:

This bill changes the committees in the Legislature DOR is to submit its findings to. Rather than submitting its findings to the specific committees within the Senate and House, DOR is to submit them to the committees of the Senate and House with oversight responsibilities for taxation. This change will allow the statute to remain correct when the committees that handle taxation issues change.

The bill also requires the property appraiser who receives the report from DOR to forward a copy of the report to the chairperson of the county commission, or the corresponding official, within 90 days. The copy is required to include:

¹ Property Appraisers are independently elected, constitutional officers. Art. VII, section 1(d), Florida Constitution.

² Sections 192.011 and 193.114, F.S.

³ Section 193.1142(1), F.S.

⁴ The confidence interval is a statistical measure of the reliability of DOR's sample. E-mail from David Beggs of DOR (March 8, 2006).

⁵ Section 195.096(2)(f), F.S.

⁶ Section 195.096(2)(e), F.S.

- All statistical and analytical measures taken for the real property assessment roll as a whole and the personal property assessment roll as a whole
- The results of any audit or review of procedures the county used to appraise the property, listed independently for each class or sub class of real property studied.

For the years in which the county is not under in-depth review, the report forwarded by the property appraiser must include any value-weighted mean level of assessment as projected by DOR.⁷

C. SECTION DIRECTORY:

Section 1: Amends paragraph (f) of section (2) to change committees to which reports are forward and require forwarding by the property appraiser.

Section 2: Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Operational impact on the Department of Revenue is yet to be determined.⁸

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

This bill requires each property appraiser to forward DOR's tax roll report to the county commission. Property appraisers will incur costs associated with meeting this requirement.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

⁷ These projections are based upon the best information available, utilizing professionally accepted methodology, and separately allocate changes in total assessed value to: new construction, additions, and deletions, changes in the value of the dollar, changes in the market value of property, and the level of assessment. Section 195.096(3)(b), F.S.

⁸ Department of Revenue: Bill Analysis (HB 979).

This bill requires property appraisers to take actions requiring the expenditure of money. As a result, the mandates provision of s. 18(a), Art. VII, of the State Constitution may apply. However, the bill will be exempt from this provision if the total impact is less than \$1.8 million.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Proponents:

The Broward County Property Appraiser (Lori N. Parrish) is a proponent of the bill. She supports the bill as a current property appraiser and former County Commissioner and School Board Member. During her years of service, she was unaware, as she asserts many are, that these reports existed. When she became the property appraiser and learned of the reports, she found out that few in the office knew of these reports and there were no records of the reports in the office. Upon obtaining copies of the reports from the Department of Revenue, it was discovered that Broward County had been out of compliance for a number of years. She asserts that had these reports been made known to the public, the property appraiser would have been forced to fix the problem or face the threat of not being reelected. The problem, she asserts, is not the availability of the report, but rather knowing it even exists. She hopes that the public scrutiny and examination will improve public performance, ensuring every Florida resident pays their fair share, not only in Broward County, but in all counties within Florida.⁹

Opponents:

Both the Florida Association of Property Appraisers and the Property Appraisers' Association of Florida oppose the bill. Both Associations believe that the bill is unnecessary since this information is a public record and the county commission can obtain it when, and if they choose to. Both Associations further feel that this bill is the result of an issue specific to Broward County and may be solved by a bill specific to Broward County.¹⁰

The Property Appraisers' Association of Florida (Association) also believes that the bill is uneconomical in that it generates lots of paper work for information that many county commissions do not want and will not use. If the issue involves appraising county commissions of the availability of this information, the Association suggests that this could be better solved by having the Department of Revenue notify the county commissions when it releases its report to the property appraisers. It is preferred that DOR notify the county commissioners because they have the report in electronic format.¹¹

There is a local bill, HB 1253, filed by Representative Sobel, which requires the Property Appraiser of Broward County to forward a copy of the findings of the Department of Revenue regarding the Broward County Assessment Rolls to the Mayor of Broward County, each county commissioner, and the county auditor.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None

⁹ E-mail from Lori N. Parrish, May 20, 2006.

¹⁰ Statements taken from Mr. Loren Levy, representing the opinion of the Property Appraisers' Association of Florida, and Mrs. Martha Cleaver, representing the opinion of the Florida Association of Property Appraisers. (March 7, 2006).

¹¹ Statement in e-mail from Mr. Levy (March 9, 2006) and conversation on March 10, 2006.